Chapter 13.—Interest on Government Paper.

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Enfacement for Payment.

178. (*a*) Interest on securities of the Government of India can be made payable at any Indian Treasury on application to the Public Debt Office, Bank of Bengal, Calcutta. The note must be forwarded with the application, and will be returned enfaced for payment as desired, and bearing an endorsement in the following form under the initials of the Superintendent of the Public Debt Office:—"Interest for the half-year, or up to 190 , paid on this note." In the case of new notes, on the reverse of which provision has been made for recording each payment, this endorsement is unnecessary.

NOTE.—Enfacement for payment of interest should be made lengthways across the note so as to extend to both halves of it.

N.B.—The Public Debt Office in Calcutta requires the renewal of all notes on which the payment of interest is re-transferred to Calcutta. See Article 194 (*b*) (1).

(*b*) Notes enfaced for payment of interest at any treasury in Madras or Bombay may, on the application of the holder, be transferred by the treasury in Madras to the Presidency Bank of Madras, and by the treasury in Bombay to the Presidency Bank of Bombay. Before making the transfer the Treasury Officer will see (1) that the note is enfaced for payment of interest at his treasury and is entered on his register (Article 179), (2) that the application is made by the holder, (3) that there are vacant spaces on the back of the note for endorsements and for noting interest payments, and (4) that there is space on the face of the note for the order for transfer. If satisfied on these points, and if no other objection occurs to him, the Treasury Officer will write the words "enfacement cancelled" with his signature and official designation across the existing enfacement on the note, and under it fill up the new enfacement, making the interest payable at the Bank of Madras or Bombay, as the case may be. He will simultaneously note the transfer in his Register (Article 179) and send advice to the Public Debt Office, Calcutta, and the Bank concerned, in Form 20.

(*c*) Notes enfaced for payment of interest at the Presidency towns of Madras and Bombay may, on the application of the holder, be transferred by the Bank of Madras to any treasury in the Madras Presidency, and by the Bank of Bombay to any treasury in the Bombay Presidency. In these cases advice of transfer should be sent to the treasury and to the Public Debt Office, Bank of Bengal, Calcutta, as prescribed in the preceding rule.

(*d*) The Banks of Madras and Bombay are also authorised to enface notes for payment of interest at Bombay and Madras, respectively, sending advice of the transfer to the Bank concerned and the Public Debt Office, Calcutta. They may also re-transfer notes for payment of interest at Calcutta.

(*e*) In all other cases of re-transfer, application should be made to the Public Debt Office, Bank of Bengal, Calcutta, either through the treasury at which the interest is payable, or direct to the Public Debt Office.

(*f*) Notes on which interest is payable in the Presidency of Madras or of Bombay can be transferred to the London register by the Bank of the Presidency concerned. Enfacements to London made by the Bank of Bengal or Madras or Bombay may also be cancelled by the Bank of Madras or Bombay. All such enfacements and cancellations must, however, be reported at once to the Bank of England and to the Public Debt Office in Calcutta.

Register of Enfaced Notes.

179. When advice of an enfacement is received by a Treasury Officer from the Public Debt Office, he will make the requisite entry in a Register, Form 21, ~~a separate section of the register being set apart for~~ the notes of each loan. Whenever interest on any note entered in this Register remains undrawn for 20 years or more the note should be struck off the Register, the reason for doing so being recorded ~~in the Remarks column of Form 21.~~ Hitherto

180. A list of current loans is appended.

3½ per cent. loans.

Of 1842-43, dated 1st February 1843.
,, 1854-55, ,, 30th June 1854.
,, 1865, ,, 1st May 1865.
,, 1879, ,, 16th January 1879.
,, 1900-01, ,, 30th June 1900.

3 per cent. loan.

Of 1896-97, dated 30th June 1896.

The following list shows the loans which have been notified for discharge, some notes of which are still unpaid but bear no interest :—

Five-and-half per cent. loan of 1859-60; 5 per cent. loan of 1825-26, 1841-42, 1854-55 (for P. W.) and 1856-57; 4½ per cent. of 1870, 1878, and 1879; 7 shillings sterling per cent. portion of 4½ per cent. loan of 1879, dated 15th September 1879; 4 per cent. of 1824-25, 1828-29, 1832-33, 1835-36, 1842-43, 1854-55, 1865, and the reduced 4 per cent. of 1879; 4 per cent. loan of Mysore Family, 4 per cent. East India Commuted Stock, 4 per cent. stock receipts of 22nd April 1854, and reduced 4 per cent. loan of 4th July 1881, Treasury Bills at 2½ pies per Rl00 per diem; and 3½ per cent. loans of 1853-54 and 1893-94.

181. A list of notes on which interest is payable at any treasury on the 31st December of each year should be compiled from this register as

Page 92, Article 178 (e)—

Add at the end :—

Advices of Enfacements made and cancelled are issued forthwith to the Treasury Officers concerned.

[10th List 1-10-15.]

Article 179, page 92—

Substitute the words "a separate register being maintained for" *for the words* "a separate section.....for" *in line 3 and the word* "therein" *for* "in the Remarks column of Form 21" *in the last sentence of the article.*

Article 179, page 92—

Insert the following as a note under the above article:—

"Simple advices of enfacement and cancellation should be preserved for five years and other correspondence for ten years."

[*9th list—1-7-15.*]

Page 92, Article 179—

Cancel the correction in the third line inserted by the 7th list of corrections and insert the following as second sentence.—

"Similarly on receipt of advice of cancellation of an Enfacement the entry relating to the Enfacement will be deleted."

[*10th list—1-10-18.*]

Article 181, page 93—

In lines 2 and 3 for the words " will be.....blank " *substitute the words* " should show the numbers and amounts of notes and the No. and date of advices authorising payment of interest as shown in Columns 1, 2, and 4 of Form 21."

soon as possible after the close of the year and forwarded to the Public Debt Office at the Bank of Bengal, Calcutta. The list will be in the form of the register, but the column of remarks will be blank and there should be a separate list for each loan. Before submission to the Public Debt Office totals of the lists should be very carefully made. There should be a separate total for each loan.

NOTE.—A blank return should be sent by those treasuries which have no notes enfaced for payment of interest at them.

Payment of Interest.*

182. (*a*) On presentation of a Government security for the realisation of interest due, it is necessary to see that it has been duly enfaced for the payment of interest at the treasury, and that advice of the same has been received and registered. Interest should not be paid on a Government security unless duly enfaced; also, if the Superintendent's endorsement mentioned in Article 178 is not on the note, the Treasury Officer cannot pay interest, but must return the note to the Public Debt Office, in order that the omission may be supplied.

(*b*) Also, if interest has been left undrawn for ten years, the Treasury Officer's authority to pay it shall be taken to have lapsed, and further interest cannot be paid without a special reference to the Public Debt Office to ascertain that there is no objection to such payment. When the period of non-drawal amounts to 20 years or more, interest cannot be paid except under the orders of the Comptroller-General.

NOTE.—If the notes are a first issue under an open loan, or are in the form containing, on the back, cages for record of payment of interest, no Superintendent's endorsement is required or should be called for.

183. Payment at Mofussil Treasuries of interest upon Promissory Notes of the Government of India is made subject to the following conditions, that is to say—

First.—That the person to whose, or to whose agent's, receipt payment is made is either the person in whose name the note was originally issued, or one who derives his title from the said person by a regular chain of endorsements of the form described in Article 184.

NOTE 1.—No notice will be taken of any trust appearing in an endorsement of transfer or receipt for interest. When a note is endorsed to, or receipted by, any person, in his capacity of trustee or in any other representative capacity, such person will be treated in all respects as the true owner of the note.

NOTE 2.—A note, blank endorsed by the holder, is not receivable at any Government treasury or at the Public Debt Offices in the Presidency towns. The holder of any such security will therefore be required to specially endorse the same before submitting it for payment of interest.

Second.—That all the endorsements upon the note, whether of transfer or of payment of interest, are clear and distinct; that there are no cross-endorsements; and that there

* Interest at treasuries is necessarily paid for full half years, but as between seller and purchaser of promissory notes the interest is ordinarily calculated as follows :—

I. Interest to be paid by the month, each month to be taken as one-twelfth of a year, and to consist of thirty days or parts.

II. In cases where it may be necessary to calculate interest on the fractional parts of a month of thirty-one days, the extra day is to be neglected.

remains room for a clear and distinct endorsement for renewal and for interest accrued.

Third.—That the note itself is not mutilated or torn. (Division into an upper and a lower half does not reckon as mutilation if the two halves are firmly rejoined.)

N.B.—In the case of a note which is open to objection on any of the grounds mentioned in the second or third condition of this article, the holder thereof shall be required to receipt the same for renewal, and payment of interest on such note shall be refused until the note is actually renewed.

184. The form of endorsement referred to in the first condition must be one of the following, each being "(signed) A":—

(1) "Pay to B."
(2) "Pay to B or order."
(3) "Pay to B and C jointly."
(4) "Pay to B and C or their joint order."
(5) "Pay to B or C."
(6) "Pay to B or C or order."
(7) "Pay to B and C or either of them."
(8) "Pay to B and C or either of them or order."
(9) "Pay to B, C, D and E or to any one (or more) of them."
(10) "Pay to B, C, D and E or to any one (or more) of them or order."

in which A, the endorser, is either a personal name, without addition of official capacity or of legal status (such as administrator, etc.), or is the name or usual signature of a well-known firm; A being the holder according to the tenor of the note and endorsements, preceding that signed by himself. There are, however, certain exceptions to this rule, for which see Notes 1, 2, 3 and 4 under Article 185.

185. It should be noted that if A is, according to the tenor of the note or endorsements, holder in any other than his personal capacity, an endorsement is not legally valid if it is made in his personal capacity only, whereas if it is made in any other capacity the Treasury Officer must, in conformity with the present orders, require renewal to be applied for. One effect of this order, therefore, is to cause reference to be made to the Public Debt Office in every case of endorsement by such a holder, except in the cases following:—

1. In the case of the public offices named below, a Government security may be made or endorsed payable to, or to the order of, the holder for the time being of the offices, by the name of the office:—

Office of Comptroller and Auditor General.
" Accountants General.
" Comptrollers.
" Controllers of Military Accounts.
" Military Accountant General.
" Examiners of Accounts.
" Examiner of Military Works Accounts.
" Accountant General, Postal and Telegraph Accounts.
" Secretaries to the Government of India.
" Secretaries to Local Governments and Administrations.
" Consulting Engineer for Railways (Madras).
" Superintending Engineers.
" Executive Engineers.
" Masters of the Mint.

Office of Director General of Posts and Telegraphs.
" Postmaster General and Deputy Postmasters General.
" Administrative Medical Officer, North-West Frontier Province.
" Chief Account Officer, Salt and Customs, Bombay.
" Administrator General, Bengal.
" Administrator General, Madras.
" Administrator-General and Official-Assignee, Bombay.
" Official Assignee, Bengal.
" Official Trustee, "
" Secretaries to Board of Revenue.
" Commissioners.
" Collectors, Magistrates, Judges.
" Deputy Commissioners.
" Treasury Officers.

Article 185, Note 1, page 95—

Add the following name to the list of offices attached to this note:—

Municipal Commissioner for the City of Bombay.

1st List—10-3-13.

Page 94, Article 185, Note 1—

Add to the list :—

"Office of the Registrar, Chief Court, Lower Burma."

13th List—1-4-16.

Article 185 (1), page 94—

For the entry "Office of the Administrator General and Official Assignee, Bombay" *in the list under this article substitute as separate entries:—*

"Office of the Administrator General, Bombay.
" Official Assignee, Bombay."

Page 94, Article 185—Note 1—

Add to the list under this note—

"Office of Registrars of High Courts."

(12th List—3-1-16.)

Article 185, note 1, page 95—

For the entry "Office of Deputy Controllers of Military Accounts" in the list of offices, substitute "Office of Divisional Disbursing officers (Military Accounts)."

[*9th list—1-7-15.*]

Page 95, Article 185—

Add the following to the list in Note 1 of this Article:—

"The Archdeacon of Lahore."

Page 95, Article 185, Note I—

Add to the list of officers—

Office of Archdeacon of Lucknow.

3rd List - 30-9-13.

Page 95, Article 185, Note 1—

Add to the list—

"Office of Controller of Currency."
"Office of Official Assignee, Rangoon."

Page 95, Chap. 13, Art. 185 (*i*)—

Add in the List :—

"Office of the Inspector-General, Railway Mail-Service and Sorting," and remove from the list "and Deputy Postmaster-General."

3rd List—30-9-13.

ige 95, Article 185, Note 1:—

Add to the List :—

'Office of the Commissioner of Customs, Salt and Excise, Bombay.'

[*20th List—2-1-18.*]

Article 185, Note 1, page 95—

Add to the list:—

Commissioner, High Court, Bombay.

1st List—10-3-13

Article 185, page 95—

Add the following to the list in Note 1 of this Article :—

Registrar and Official Receiver of the Court of the Judicial Commissioner of Sind.

Article 185 (1), page 95—

Add to the list :—

"Office of Registrar, Judicial Commissioner's Court, Central Provinces."

7th List—15-1-15.

Office of Directors of Public Instruction.
" Inspectors of Schools.
" Inspectors General, Jails.
" Inspectors General of Registration.
" Inspectors General of Police.
" Deputy and Assistant Inspectors General of Police.
" District Superintendents of Police.
" Political Residents.
" Political Agents.
" Presiding Officers of Courts and Officers empowered by the Code of Criminal Procedure to require the execution of bonds.
" Registrar of all Presidency Small Cause Courts.
" Managers of State Railways.
" Commanding Officers of Regiments.
Office of Assistant Commissioner of Salt and Abkari Revenue, Madras.
" Consulting Architect to Government (Madras).
" Official Assignee, Madras.
" Official Trustee, Madras.
" Official Trustee, Bombay.
" Collector of Customs, Calcutta.
" Shèriff of Bombay.
" Registrar, Chief Court, Punjab.
" Deputy Controllers of Military Accounts.
" Prothonotary, Testamentary and Admiralty Registrar, High Court, Bombay.
" the Clerk of the Crown, High Court, Bombay.
" Officers Commanding Stations.
" Secretary, Railway Board.
" General Officers Commanding Divisions and Brigades.

2. The officers mentioned above have been empowered to hold securities in the name of their offices by notification under section 7 (I) of Act XIII of 1886. In addition thereto certain officials of Foreign States are permitted by executive orders to hold securities similarly.

3. Government securities may be held and negotiated by any bodies corporate with perpetual succession and a common seal, but in practice there are so many questions to be considered, such as the wording of the Act or the bye-laws by which a public body or corporation is governed, that great caution should be exercised regarding securities so held and reference made to the Accountant General in any case of doubt.

4. Interest may be paid to a person other than the last endorsee in the exceptional cases mentioned in Article 190, subject to the conditions laid down therein.

5. If a promissory note is purchased by the Executor or Administrator of an estate in his own name and the endorsement describes him as Executor or Administrator, interest can be paid to his receipt without any other authority.

Endorsement to a New Owner.

186. When interest is claimed on a Government Promissory Note, and it is found that the note bears an endorsement showing that it has been transferred to another owner, or that a new signature is appended to the receipt for interest, attention must be given to the following points:—

In the case of a note endorsed by its former owner, if the endorsement be in English, it will be enough to see that there is no reason to question the signature; if the endorsement be in any native language, under it should be written a full and literal translation in English.

Endorsement by a Native Female.

187. If the endorsement bears the signature of a native female, it must be attested by the signatures of two respectable witnesses, who must appear before a Treasury Officer (or a Sub-Treasury Officer who is qualified to take and record evidence, provided that he is not a mere ministerial officer) or before a Justice of the Peace or Magistrate to

testify to the genuineness of the endorsement. Such officer should authenticate the examination in the following form:—

"Examined before me."

(Signed) A. B.,
Treasury Officer.
Sub-Treasury Officer.
Magistrate.

at————————in the District of————————

NOTE.—In the case of endorsements in English, the provisions of this rule shall not be enforced unless it is especially so directed by officer whose duty it is to pass the same.

Endorsement by a Married European Female.

188. Under section 4 of the Indian Succession Act, X of 1865, reproduced below, a European female, married on or after 1st January 1866, has the power, without her husband's consent, to draw interest on, or to sell, Government securities standing in her own name:—

"No person shall, by marriage, acquire any interest in the property of the person he or she marries, nor become incapable of doing any act in respect of his or her own property which he or she could have done if unmarried."

Endorsement by an Attorney.

189. The note may have been endorsed by the attorney of the former owners.

In this case the Treasury Officer is to refuse payment of interest and to require the claimant, if he desires such payment to be continued, to have the note renewed in his own favour.

Endorsement by a Judge.

189A. The note may have been endorsed by a Judge in the following manner:—

"A by B, Judge of the Court of (or as the case may be in a suit by C against A)."

Endorsement by an Heir, Executor, etc.

190. It may have been endorsed by the heir, executor or administrator of an estate.

In this case the Treasury Officer will also refuse payment of interest unless the claim is supported by a certificate under the Succession Certificate Act of 1889, or a probate or letters of administration granted by a competent Court under the provisions of the Indian Succession Act of 1865, or the Probate and Administration Act, No. V of 1881. The Treasury Officer must register such certificate, probate, or letters of administration (Article 215), and enter them on the reverse of the note, immediately under the endorsement, to the validity of which they are to testify, care being taken that a certificate to realize interest only is not admitted in support of a transfer endorsement. But see Article 185 (4).

If there is any ambiguity in the interpretation of any of these documents, reference should be made to the Public Debt Office.

191. In case of every endorsement or signature supported by a document requiring registration under Article 215, the number which the document bears in that register, with the date of registry, must be noted on the back of the note closely below such signature, and attested by the Treasury Officer's initials.

The documents referred to are the following:—

Sale power	favouring	(name).
Interest power	,,	,,
Probate	,,	,,
Letters of administration	,,	,,
Succession certificate (negotiable)	,,	,,
Do. (interest only)	,,	,,
Guardianship certificate	,,	,,
Proof of death of	,,	,,
Certificate of marriage of	,,	,,
Certificate of incorporation of	,,	,,

Owners in Foreign States.

192. On the death out of British India of the holder of a Government Promissory Note, letters of administration must be taken out in a British Indian Court before the note can be dealt with in British India.

Signature.

193. (*a*) The signature of a proprietor or of an agent, whether for interest or sale, given on paper pasted to a Government security (even where the paper is a slip joining together the two halves of the note), is inadmissible; the signature must be entered on the back of the *security itself*, and within the limit of the plate-mark on the face of the note.

(*b*) Crossed receipts being strictly prohibited on the backs of Government securities with reference to the subjoined notice, published at page 238 of the *Calcutta Gazette*, dated 22nd February 1865, care should be taken that every entry on the back of a Government security is made to take up as little space as possible.

"Whereas much inconvenience and difficulty is experienced in the Loan and Interest Departments of this office in tracing endorsements and receipts for interest written across the reverse of Government Promissory Notes presented for renewal or interest, notice is hereby given, with the sanction of Government, that in future cross receipts for interest will not be accepted, or further interest paid upon any note, the reverse of which is filled up. The holders of notes so filled up can obtain new notes on application to the Loan Office, and on payment of the usual fees."

NOTE.—Cross receipts for interest paid may be allowed as a special case when Government Promissory Notes are sent to the Public Debt Office for renewal.

Cases in which Renewal is necessary.

194. (*a*) Though there are cases in which endorsements of other forms than those described in Article 184 and the exception to Article 185 are legal and admissible, it is desirable that after any such endorsement has been made or proceeding taken, the admissibility of it may be tested by the Public Debt Office, so as to prevent any disputes as to title; and with this view the holders of such notes are, pending their renewal, debarred the privilege of receiving interest elsewhere than at Calcutta,

where alone, by the literal terms of the note, it is payable. The Treasury Officer will therefore refuse payment of interest and require the claimant, if he desires such payment to be continued, to take the measures prescribed in the rules for obtaining a renewed note in his own favour.

(*b*) In all or any of the following cases the holder of a note may be required to receipt the same for renewal:—

1. If the note has been enfaced for payment of interest at a mofussil treasury, and the holder thereof is desirous of altering the place of payment, except when the transfer is to the Presidency Bank of Madras or Bombay. (See Article 178*a*.)

2. If only sufficient room remains on the back of the note for one further endorsement or when any word or words is or are written upon the note across any existing endorsement or endorsements, all cross-endorsements being strictly prohibited.

3. If the note is torn or in any way damaged or crowded with writing, or unfit, in the opinion of the officer before whom it is produced for payment of interest, for receiving endorsement.

4. If the note bears an endorsement which transfers the note to, or is signed by, any person otherwise than in his personal capacity, except in the cases mentioned in Note 1 to Article 185 and in the undermentioned cases:—

(*a*) Where the transferee is a well-known firm, corporate body, or Bank; or the signature attached to the endorsement is the usual name or signature of such a firm or purports to be the impression of the common seal of a corporate body with perpetual succession, or is the signature of the Secretary, Deputy Secretary, Manager or Agent of a Bank or corporate body.

(*b*) Where the transfer is made to or by a person in whose favour a certificate under the Succession Certificate Act (VII of 1889) or probate or letter of administration under the Indian Succession Act (X of 1865) or the Probate and Administration Act (V of 1881) has or have been granted by a Court of competent jurisdiction.

(*c*) Where the transfer is made to or by the executor or administrator who is described as such therein, such executor or administrator being shown to be the holder according to the tenor of the note and previous endorsements.

5. If the endorsements are not clear and distinct, or if there is any endorsement which is inadmissible under Article 193.

6. If in the opinion of the officer before whom the note is presented for payment of interest the title of the person so presenting the note is irregular or not fully proved.

NOTE.—If notice of loss of a note has been received under Article 223 from any person other than the presenter, renewal should be required under this clause before interest is paid.

7. If the note in question being a counterpart note issued under the provisions of Article 195 has ceased to be the property of a minor, or to belong to an estate in which administration is limited to interest.

Issue and Withdrawal of Counterpart Notes.

195. In the case of any note which is the property of a minor unrepresented by any person having power to negotiate it or which belongs to an estate in which administration is limited to interest, the Public Debt Office at Calcutta, upon such note being deposited with it, may issue to the holder of such note a counterpart thereof, having the words "counterpart not negotiable" stamped across the face thereof, and further payments of interest may be recorded upon such counterpart. Whenever such note ceases to be the property of such a minor, or ceases to belong to an estate in which administration is limited to interest, the further payment of interest in respect of the note may be refused, until the first or any subsequent counterpart (as the case may be) issued in

respect of it has been receipted and renewed in the manner provided in the last preceding rule. Upon such counterpart being receipted and renewed as aforesaid, the same, together with the original note and any preceding counterpart issued in respect thereof, will be cancelled.

196. No payment of interest and no record or acknowledgment of the payment of interest and no issue of a counterpart note under the preceding rule is to be deemed or taken to be an acknowledgment of the title of the holder of any note.

Payment of Interest to Joint-holders.

197. No payment of interest should be made to one or more or several joint-holders of a Government security except upon production by such one or more of written authority to give a discharge on behalf of the others. To facilitate production of such authority, Form 23 is supplied free of cost to joint-holders for use by them, and a supply of this form should be kept for the purpose at the Public Debt Offices and at all treasuries at which interest is paid on Government securities. The use of the form is not compulsory; and holders of promissory notes may use their own forms of authority, if they prefer to do so; but they should be encouraged to use the prescribed form, as less likelihood of mistake will be incurred.

NOTE.—Any such letter of authority or power-of-attorney executed for the sole purpose of authorising one or more of the joint-holders of a Government security to give on behalf of the other or others of them a discharge for interest payable on such security or on any renewed security issued in lieu thereof, is exempt from stamp duty under Government of India, Finance Notification No. 3713, dated 2nd September 1891.

Death of a Joint-holder.

198. In ordinary circumstances, and unless the right is openly and expressly disputed, property in promissory notes, standing in or endorsed into the names of more than one proprietor lapses to the survivor or survivors; but in all cases in which a joint-proprietor of a note is stated to have deceased, proof of decease, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate, copied from the usual register and attested by the proper authority, or certificate of death or other satisfactory evidence, should be required to be produced, and when produced should be registered, and entry made on the note, in the following form, below the endorsement in favour of the deceased and joint-holders or in the event of the Government Promissory Notes having been specially endorsed by the survivor, as such survivor, immediately below such endorsement.

"Proof of death of————————, registered No.————of————."

(Signed) A. B.

Treasury Officer.

NOTE.—In the first blank would be placed the full name of the person deceased; in the next the number of the entry in the form given in Article 215 and in the third the initial letter under which the entry has been made, and the year.

Securities belonging to Native States.

199. Notes held by Native Ruling Chiefs as State property are issued in a special form, interest on such notes being payable to the Ruling Chief for the time being. See Article 214A.

Receipt for Interest.

199A. At each treasury will be kept a supply of the prescribed form of receipt for interest (Form 22, quarter foolscap size), which will be given on application to any person proposing to draw interest. The following instructions are printed on the back of the receipt, and should be attended to. Personal attendance of the holder is not necessary, but the notes on which interest is drawn must be produced for endorsement of the payment:—

N.B.—1. A separate receipt must be given for the notes of each loan; but any number of notes of the same loan may be entered in the same receipt if the interest is payable to the same person.

2. The whole of the interest due on a note must always be taken. Partial payments are not allowed.

3. Receipts for interest on Government securities are exempt from stamp duty.

4. Signatures in native character must be translated, and a receipt by a native female must be attested, and except in the case of payments of interest at a Presidency Bank authenticated in the manner prescribed in Article 187. No attestation or authentication is however required in the case of signatures in English unless it is especially so directed by the officer making the payment.

5. The promissory note or notes must be produced with the receipt. If a form is printed on the back of the note (as is the case with all renewed after May 1881), the paying officer will enter a note of the payment: but if the promissory note bears no such form, then a receipt for interest must also be given on the back of the note, thus—

"Received interest for————half-years ending————R————
X. Y., *Treasury Officer.* (Signed) A B."

6. If the back of the note is full of endorsements, and there is no space for a further clean endorsement, the Treasury Officer should decline to pay interest, and require the holder to send his note in for renewal.

7. On application at the Treasury, or Public Debt Office, promissory notes may be converted into stock certificates, in which case the interest is paid by warrant which will be delivered to the holder by the Treasury Officer upon receipt from the Public Debt Office; or on application the warrant will be sent direct to the holder through the post.

199B. It is very important that no avoidable delay should be allowed to occur in the payment of interest which should invariably be made on the due dates or as soon thereafter as possible. Consequently at treasuries where the payments to be made are numerous, holders should be encouraged to send in their notes some time before the interest actually falls due so that the preliminary examination required may not operate to prevent payment being promptly made.

Record of Payment.

199C. The payments made will be entered by the Treasury Officer in a register in Form 24, subordinate to the cash book. The schedule to accompany the list of payments with receipts attached should be copied from this register.

NOTE.—In the preparation of interest receipts and registers, all details, especially the numbers, amounts, and the numbers of the half-years, or the periods for which interest is paid, must be correctly filled in; due attention to this will save much needless correspondence.

Article 199C, page 100—

Substitute the words "Forms 21 and" *for the word* "Form" *in line 2.*

Article 201, page 101—

Number the existing note under this article as 1 and insert the following as note 2 :—

"Simple advices of renewal should be kept for 5 years and other correspondence for ten years."

[*9th list—1-7-15.*]

Renewal of Notes.

200. The holder of any note requiring renewal may procure a renewed note in lieu of his original security in any of the following ways, that is to say, he may present it duly receipted either in person or through a representative at (1) Public Debt Office, Bank of Bengal, Calcutta; or (2) at a Government treasury for transmission to that Office; or (3) at the Banks of Madras and Bombay, who, as agents of the said Bank of Bengal, may either renew such notes on their own responsibility or may forward them to the Public Debt Office for renewal. In the case of notes sent to or presented direct to the Public Debt Office for renewal, claims for renewal will be disposed of by the Secretary, Bank of Bengal, and in the case of notes presented for renewal at the Bank of Madras or Bombay, and renewed by them on their own responsibility, the claims will be disposed of by the Secretary of the Bank concerned.

201. If the notes are presented to a Treasury Officer, he will despatch the notes in halves, by post, registered; the upper halves should be despatched first, the lower ones being sent on receipt of acknowledgment of the upper halves. Care should be taken that the due registry in the Treasury Office of all documents connected with transactions entered on the back of the notes is correctly certified against each transaction:—

(*a*) In the receipt for renewal, the name of the payee of the new note should be correctly and legibly written.

(*b*) In the case of notes required in favour of a European female, her condition in life (unmarried, married or widow) should be stated.

(*c*) In the cases of married women whose marriages were solemnized before 1st January 1866, the consent of the husband should be obtained and duly certified on the notes by the Treasury Officer.

NOTE.—Before despatching a note to the Public Debt Office, the Treasury Officer must be careful to see that the interest due up to the last half-yearly date has been drawn, except in cases where there is any doubt in respect to the endorsements or where the interest has been left undrawn for several years.

202. A note tendered for renewal must be receipted on the reverse as follows:—

"Received, in lieu hereof, a renewed note payable to (*name of holder*), with interest payable at————————

Signature of the..... ——————————.”
Holder
Duly authorised representative of (name of holder)

203. If a person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or in a form as near thereto as circumstances will admit:—

"Received, in lieu hereof, two (*or more*) notes for ₹————————respectively, payable to (*name of holder*), with interest payable at————————

Signature of the..... ——————————.”
Holder
Duly authorised representative of (name of holder)

204. If a person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must

be receipted as follows, or in a form as near thereto as circumstances will admit:—

"Received, in lieu hereof, a new note payable to (*name of holder*), for R———— by consolidation with Promissory Note or Notes Nos.———— (*mentioning the numbers and amounts of the other notes desired to be consolidated with it*), with interest payable at————

Signature of the..... *Holder* / *Duly authorised representative of (name of holder)*."

205. The form of receipt mentioned in the foregoing rules must be very clearly and correctly written, and there must be no ambiguity as to the name of the payee of the new note. The name of the holder, as signed by him or as entered by the duly authorised representative below his own signature, should agree letter for letter with the name in the body of the note, or in the transferring endorsement, as the case may be. Where the holder himself signs the receipt, he may add his usual signature below.

206. (*a*) The following fees are payable in respect of applications for renewal or issue of a duplicate note:—

For each note four annas per cent. if the new note does not exceed R400, and one rupee if the new note exceeds that sum.

(*b*) The fact of receipt of the fee should be recorded on the back of the note by the Treasury Officer and the amount credited in the cash account as "Renewal fee on Government Promissory Note for R as per advice No. , dated , to the Public Debt Office, Calcutta," care being taken that the No. and date of the advice (Form 25) are entered in the cash account before the advice is despatched.

1. Postage stamps are not received.

2. The cancellation of coupons attached to a note in view to re-issue of the note without coupons involves a fee of R5.

3. When the interest column has been expended on a note which bears no endorsement (other than the renewal endorsement), no fee is charged.

207. Notes, the property of minors unrepresented by any person having power to negotiate them or belonging to an estate in which certificate of administration is limited to the realization of interest, of which the backs are filled up, should be sent with an application to the Public Debt Office for issue of a counterpart note, having the words "Counterpart not negotiable" stamped across the face thereof.

207A. When notes are renewed in favour of certificate holders under Act XXVII of 1860 or Act VII of 1889, who are empowered to negotiate or transfer the notes, they should be issued in the following form:—

A. B., holder of certificate in the estate of deceased, empowered under Act XXVII of 1860 (or VII of 1889, as the case may be) to receive interest and negotiate or transfer (as in certificate) this note.

208. When a Government Promissory Note receipted for renewal comes before the Public Debt Office, and the title appears defective, the Public Debt Office will not pass an order for the payment of interest until such title is cleared, or the following procedure is adopted.

209. Where the defect is formal only, so that there is no practical risk in overlooking it, the note may be renewed at once under a bond of indemnity, which should be for the value of the security and the interest payable for six years from date of such renewal.

210. If the defect, however, be a serious one which it would be inadvisable to overlook, or if the holder, where the defect is formal, refuses to enter into the bond mentioned in the preceding article, then the Public Debt Office will refuse to renew the note, or pay interest until the defects in title be cured by the holder. But in cases where the note belongs to a minor, and representation is limited to interest, a counterpart note is issued by the Public Debt Office without further question.

211. Except in the case of estate paper where representation is limited by order of Court, and there is no question of defective title, no counterpart can be issued without the special sanction of the Comptroller General.

Consolidation and Sub-division of Notes.

212. (*a*) Notes of the same loan, on which interest has been paid up to the same date, may be consolidated, or notes may be sub-divided into others of smaller denominations, but of the same loan, at the option of the proprietors, notes being only issued for R100 or multiples of R100. Every note so to be consolidated or sub-divided should be endorsed by the proprietor in the forms prescribed for the purpose in Articles 203 and 204.

(*b*) A fee according to the scale prescribed in Article 206 is leviable upon each *new* note issued in consolidation or sub-division.

213. Debentures repayable on different dates or at different treasuries cannot be consolidated; and notes of *sicca* loans cannot be sub-divided.

Conversion of Notes.

214. (*a*) Promissory notes and stock of the 3½ per cent. loans of 1842-43, 1854-55, 1st May 1865, 1879 and 1900-01 may be transferred to any other of those loans except that no transfer to the loan of 1900-01 from any of the other loans is admissible.

(*b*) The conditions on which such transfer is permitted are that—

(*i*) a full half-year's interest is due on the Government Promissory Note or stock certificate at the time it is presented for transfer.

EXCEPTION.—Transfers are, however, permitted in the following cases independently of the above condition :—

(*a*) To the 3½ per cent. loan of 1842-43 : from the 3½ per cent. loan of 1900-01 in all months of the year except January and July.

(*b*) To the 3½ per cent. loan of 1854-55 : (i) from the 3½ per cent. loan of 1842-43 in the months of July and January; (ii) from the 3½ per cent. loan of 1865 in all months of the year except May, June, November, and December; (iii) from the 3½ per cent loan of 1900-01 at any time.

(*c*) To the 3½ per cent. loan of 1865 : from the 3½ per cent. loan of 1900-01 in the months of May, June, November and December.

(*d*) To the 3½ per cent. loan of 1879 : from the 3½ per cent. loan of 1900-01 at any time except from 31st December to 14th January and 30th June to 14th July.

(*ii*) The new note or certificate will be issued bearing interest from the commencement of the current half-year of the loan to which it appertains, except in the case of exception (*b*), clause (*iii*), when the new notes or stock will be issued bearing interest from the same date from which interest is due on the notes or stock of 1900-01 tendered for transfer.

(*iii*) Interest up to that date will be paid on the old note or certificate.

(*iv*) The fee prescribed in Article 206 will be charged on each new note issued, but no fee will be levied on any certificate issued.

Special Notes for Native States.

214A. (*a*) Chiefs of Native States can convert Government Promissory Notes of the ordinary form, the property of the State, into Government Promissory Notes in a special form.

(*b*) The conditions of issue are—

(1) The special notes are issued only in favour of Chiefs of Native States, whose admission to the privilege has been sanctioned by the Government of India in the Foreign Department.

(2) Applications for notes in such form should be made to the ~~Comptroller-General~~ by the Political Officer resident in the State, and should quote the order of the Government of India sanctioning the admission of the State to the privilege.

(3) The amount of each note will not be less than ₹50,000.

(4) The notes are not negotiable by endorsement, but the holder can at any time obtain in exchange, if he desires, notes of the ordinary form on application to the Public Debt Office, Calcutta.

(*c*) The advantages of holding notes in special form are—

(1) Interest upon these notes is exempt from Income Tax.

(2) The notes being issued in the name of the Chief, his heirs and successors, devolve by mere succession to the Raj without legal administration.

(3) The notes are enfaced for payment of interest at any Government treasury desired as in the case of ordinary notes.

NOTE.—If these notes are converted into stock certificates the special advantages attached to them are lost.

Registration of Powers-of-Attorney, etc.

215. A register of powers-of-attorney, probates, certificates, or other documents connected with the transfer of, or drawing of interest on, Government securities, will be kept by the Treasury Officer in Form 26.

1. Separate pages should be reserved for separate initials, and the entries under each initial should have a separate series of numbers.

2. In the case of probates, etc., and orders of court, the name of the court, and any number it may have assigned to its order, may with advantage be noted in the column of "Date of document."

Page 104, Chap. 13, Art. 215—

Add the following as Note 3 to this Article :—

In registering succession certificates granted in respect of Government Promissory Notes inherited by a minor, care should be taken to see that the certificate is not in favor of the minor, but has been granted to his guardian on an application made by the guardian and not on an application from the minor.

3rd List—30-9-13.

Page 104, Article 215, Note 3—

Substitute the following for note 3 as introduced by the 3rd list of corrections dated the 30th September 1913.

"When succession certificates in respect of Government Promissory Notes inherited by a minor are tendered for registration at the treasury, care should be taken to see before the documents are registered, that the succession certificate was applied for and taken out by the guardian on behalf of the minor. The notes which are dealt with under such certificates can properly be endorsed in the name of the minor and can be renewed in his name with the addition that he is under the guardianship of A. B."

13th List—1-4-16.

216. Each document will be registered under the initial of the surname in column 4, which will be in the case of—

Power-of-attorney . . .	That of the grantor.
Probates or letters of administration	" " deceased.
Certificates for administration of minors' estates . . .	" " minor.
Certificates of death or marriage .	" " persons deceased or married.

217. In the case of powers-of-attorney, probates, letters or certificates of administration, care must be taken to record the limitations of the power conveyed, so that transfers may not be admitted under powers to realize interest only. Special attention is requested to section 8 of Act VII of 1889, under which the Government securities on which certificate-holders are empowered to receive interest, or which they are empowered to negotiate, must be described in the certificate. The list of securities covered by the certificate should be copied into column 6.

Certificates granted under Act VII of 1889, entitling the holder to draw interest on Government securities, should bear stamp duty with reference to the value of the securities and not with reference to the amount of interest to be drawn.*

218. All powers-of-attorney, certificates under Act VII of 1889, probates or letters of administration, proofs of death and marriage, and other documents connected with the transfer, etc., of promissory notes, when duly registered, will be endorsed in the following form:—

" Registered No.————————————

The————————*190*—. (Signed) A.B., *Treasury Officer.*"

NOTE.—The blanks will be filled up with the number of the register, the name of the district and the date of registry.

Stamp Duty.

219. No power-of-attorney to sell, or to realize interest on, Government securities, will be registered unless duly stamped, save when it is exempt from stamp duty by law or notification under the Stamp Act (*e.g.*, the power mentioned in Article 197, Note).

220. Powers-of-attorney granted by a number of persons having separate and distinct interests in the acts to be performed under such powers, require to be stamped to a value equal to the aggregate amount of duty which would have to be paid if each person had executed a separate power.

220A. Letters of administration or certificate under Act VII of 1886 issued by a competent court should, even when insufficiently stamped, be registered and acted upon. The fact of the document being insufficiently stamped should, however, be brought to the notice of the court which issued it.

Rules regarding Powers-of-Attorney.

221. Attention is required to the following rules regarding powers-of-attorney:—

(*a*) Powers in favour of a house of business, without specifying the individual members at the time composing the house, are inadmissible.

(*b*) Powers not in favour of A. and B. "jointly and severally," require that both A. and B. should sign in any transactions done in virtue of such powers.

(*c*) General powers, *i.e.*, powers relating to all notes standing in the name of the grantor, are not held to apply to promissory notes in which the grantor is interested jointly with others, unless they contain a special clause to that effect, or a specification of the notes.

Registry of Endorsements.

222. With a view to protect the holders of Government Promissory Notes from risk in transmitting their notes by post, Treasury Officers are authorised to register the endorsements on notes presented to them for this purpose, but should further warn holders of the advisability of forwarding the upper and lower halves with the same precautions as are taken by Treasury Officers in despatching notes for renewal. (Article 201.) Registration of the endorsements will be made without any regard to their correctness or to the object with which they are made.

Procedure on Loss of Note.

223. When a promissory note is said to have been lost and the alleged proprietor is desirous of applying for the issue of a duplicate, he should be directed to advertise the loss of the note, without delay, in three successive issues of the *Gazette of India*, and also in the local Government Gazette. He should further address the Secretary and Treasurer, Bank of Bengal, on the subject, fully detailing the circumstances attending the loss of the note, and the dates and pages of the *Gazette of India* in which his notice appeared, at the same time furnishing any proof he may possess of the note having been his property and he should be instructed to furnish a copy of this communication to the treasury at which interest is payable.—See also Financial Department Notification No. 112, dated 6th April 1883, *Gazette of India*, dated 7th April 1883, page 171, and Financial Department No. 96, dated 7th January 1888, paragraphs 17 to 22, *Gazette of India*, dated 7th January 1888, page 6.

Erasures.

224. Every erasure in an endorsement should be accompanied by an explanation in writing, to be produced by the proprietor of the note at the time of its presentation at the District Officer's office; and every cancellation of an endorsement should be made under the signature of the proprietor of the note for the time being.

Vernacular Documents to be translated.

225. No document in any native character will be received by the Public Debt Office unless accompanied by a translation in English authenticated by a responsible officer.

Article 226, page 107—

Add the following note:—

NOTE.—Care should be taken, in addressing the Bank as above, to see that the words "Public Debt Office" are never omitted from the address.

1st List—10-3-13.

Reference to Public Debt Office.

226. All communications on matters of detail relating to the subject of this chapter should be addressed to—

THE SECRETARY AND TREASURER, BANK OF BENGAL,
Public Debt Office, Calcutta.

Provincial Debenture Loans.

227. The rules in force for Government securities are generally applicable to these debentures, except that interest cannot be paid elsewhere than at the places mentioned in them. Payments of interest will be reported to the Presidency Bank in schedules similar to those in use for payments on account of Government securities.

1. In some cases a payment on account of profits is added to the fixed rate of interest paid upon Provincial Debentures. In such cases the Local Government will declare, by a notification in the Gazette, the amount to be added on this account to the payment of interest. For example, it will declare that, in addition to the fixed interest payment of R4 (or other sum) per cent. due on 1st April 190 , further amount of annas per cent. will be paid on account of profits. The whole amount of the payment, including that which represents the profits, will be treated in the accounts as a payment on account of interest and no adjustment between the Civil and Public Works Departments is required on account of it.

2. The Government of the United Provinces of Agra and Oudh have directed that in the case of their Provincial Debentures, a debenture may be renewed in the name of the heir (or legal representative) of the holder, on being signed by him for renewal (see Article 200) and on the district officer endorsing on the debenture a certificate that the person so signing is the heir or legal representative of the holder.